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State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

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Division Director

Inspection Report
Minerals Regulatory Program
Report Date October 19, 2005

Supervisor DRZ

Mine Name: Velvet
Operator Name: U. S. Energy

Permit number: M/037/040
Inspection Date: August 18,
2005
Time: 5:50-6:15 PM

Inspector(s): Paul Baker
Other Participants: None
Mine Status: Reclaimed

Weather: Partly cloudy, 70's

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Water Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Revegetation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Purpose of Inspection:

I wanted to see how vegetation was progressing.

Inspection Summary:

3. Protection of Drainages / Erosion Control

The area has apparently had significant rain this summer, but while there has been some erosion on the outslope, it has not been significant. Because of the terraces (Photo 4), little sediment has traveled off site.

10. Revegetation

It has now been nearly two years since the site was graded and seeded. Vegetation is progressing well, particularly on the pad where topsoil was spread (Photos 1 and 3). It is more sparse on the outslopes (Photo 2), but I believe it will continue to fill in.

Of interest are the places where manure was spread. The manure was not spread evenly, and in 2004, one could easily see the places where manure was applied based on the weeds. This year, the weeds are almost entirely gone, and these places clearly have the best vegetation cover of any places on the outslopes (see the vegetated areas on the terrace in Photo 4).

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12. Other

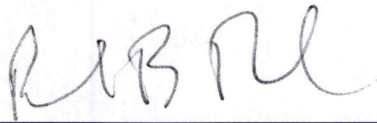
There were previously some claim markers, but these are gone.

Conclusions and Recommendations:

We need to wait until the 2006 growing season is over before the operator can measure the vegetation cover and make application for final bond release.

I did not look at the vent holes or other remote facilities. If the operator visits the site, I suggest that these areas be checked.

Inspector's Signature _____



Date: October 19, 2005

PBB:jb

cc: Fred Craft, U. S. Energy
Ted McDoougall, Monticello BLM

Attachment: Photos

ATTACHMENT

Photographs

M/037/040, Velvet Mine, U. S. Energy

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Photo 1. The entrance road.



Photo 3. A view of the pad.



Photo 2. The outslope (left) and the pad (right). Note the difference in vegetation between the area that received topsoil and the area that did not.



Photo 4. One of the terraces on the outslope, Note the patches of vegetation on the terrace where manure was applied.